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University of Minnesota

DATA CONCERNING
THE HOSPITAL AND MEDICAL SCHOOL
OF THE
UNIVERSITY OF MINNESOTA
AND OTHER STATE UNIVERSITIES



MINNEAPOLIS, MINNESOTA

UNIVERSITY OF MINNESOTA

July 27, 1926

DR. H. M. JOHNSON, Chairman,
Committee of the Minnesota State Medical Association,
Dawson, Minnesota.

My dear Dr. Johnson:

In reply to your inquiry of June 16, 1926, I hand you herewith memoranda covering the main features of the development of the University Hospital and a resumé of the official actions of the University of Minnesota in matters pertaining to the hospital and the patients therein. This resumé includes the following chapters: First, the history of the University Hospital; second, the hospital support; third, the full-time plan as it relates to the private patient service; fourth, per diem patients; and fifth, the policies of other state university hospitals relative to the admission of per diem and pay patients.

This statement makes clear how through a period of years the Board of Regents has developed the University's policy in the administration of the hospital. This policy now well established has been determined by the board's triple responsibility, first, for sound medical education and the maintenance of a medical school worthy of the state; second, the responsibility of seeing that medical education of which hospital facilities are an essential part should not be too burdensome to the taxpayers of the state, and third, that in its field and its own way the facilities of hospitals supported in part or whole by the public should be available to the sick and suffering in the same way as the services of other units of the University are available to every citizen of the state.

For the sake of clarifying the situation at the very outset, permit me to say that at no time in the history of the University has there been any thought of building up a great hospital for the purpose of competing with private hospitals, and the University has no such thought now.

The University here faces the practical necessity of providing enough hospital beds to insure those types of cases and diseases, and in sufficient numbers, that may be necessary for the education and training of those proposing to enter the professions of nursing and medicine. This is a great educational responsibility which the University cannot fail to discharge. The University of Minnesota is still lacking in this respect, although it has made some progress in the last few years. The expansion and development of the hospital have naturally called for more support. The sources of revenue have been carefully reviewed by the regents, not once, but many times. The experience of other institutions was sought. Many hospitals have been visited and studied by various members of the board. The report which follows does not and cannot set forth the repeated discussions

of the Board of Regents with reference to this matter. For reasons which seemed justifiable, wise, and necessary, the Regents finally reached the conclusion that the hospital not only must, but should, be supported by the state and by moderate fees that would reduce the need for legislative appropriations and yet let the self-respecting citizen of modest means pay his share when he desires to use the facilities he has helped supply. Such private patients are material for study in a medical school and valuable material, not only because of the variety of ailments they present, but because they are the type of people with whom the prospective doctor will deal largely when he enters practice. At the same time the regents declared that the number of patients should be limited to the actual teaching needs of the institution.

For the conduct of a good medical school, three things are necessary; properly prepared and intelligent students, an adequate, trained staff or faculty, and proper facilities. Facilities include buildings, library, equipment, and materials for study.

The University is of the opinion that it has a rather highly selected and well-prepared class of students at its Medical School. If it has any difficulty in this respect at the present time, it is not because it does not get enough *good* students, but rather in teaching properly with the facilities and faculty available, the very large body who come to Minnesota for medical education.

The problem of securing and keeping a staff of talented and enthusiastic teachers is one of the most difficult and continuous tasks that confronts any university. Various factors come into this problem. Among these the matter of salaries is important. Of equal importance is the question of facilities. Ambitious clinical and laboratory teachers will not associate themselves, even for high salaries, with an institution which cannot offer good opportunities for their continuing growth and intellectual development. We have made some improvement in this respect at the University, but no one familiar with our situation would for a moment maintain that we have as yet reached perfection in this matter.

It is obvious that the job of administering a clinical department has become more complex than it was a few years ago; it demands more time and thought. The work of clinical teaching is absorbing and even more time-consuming than that of scientific teaching. There is a large responsibility for the care of patients not pertaining to the fundamental department.

A number of years ago the teachers of the fundamental departments of anatomy, pathology, and so forth, were all medical practitioners, but that policy generally has been abandoned for it has been found that the more efficient and competent departments are those which receive the full time of their staff members.

The tendency all along the line has been toward full-time university teachers in professional subjects. From Law, Engineering, Pharmacy, as well as from the science departments of the Medical School, the part-time man who was engaged in a private business and at the same time attempted to be a university professor has almost entirely disappeared. It is only in the clinical branches of Medicine and of Dentistry that we find a persistence of this early tendency.

The part-time clinical teacher may have obligations which will interfere if not actually prohibit his scientific productivity. He is responsible for the conduct of his office and for making his business financially productive. He is responsible above all for the welfare of his private patients. This necessarily gives him a divided responsibility.

Those in charge of the educational work at the University of Minnesota have been considering this problem for years. As early as 1918 President Burton reported upon it, recommending, as will be seen from his report which is attached to this letter, that the full-time plan for clinical instructors be adopted.

It is our opinion, on the other hand, that any attempt to divorce the full-time clinical teacher from the types of cases and problems met by the practitioner would be a grievous blunder. We believe that a doctor who teaches full time, needs contact with private patients and with the medical profession. Furthermore throughout the University experts in various lines of work are permitted and expected to make their knowledge available to the state and to its citizens. At the same time they are not permitted to do outside work to an extent that cripples their university efficiency. To facilitate these ends the regents have adopted rules under which professors in scientific departments may use the university laboratories and equipment for outside expert work for pay. Many communities, municipalities, corporations, business establishments, and individuals have been assisted in this way in the solution of some important problem. A record is kept of all these cases and the amount of such work any individual may do is determined by his educational duties and obligations. The argument as well as the practice which governs the regents in dealing with other departments of the University leads inevitably to the policy of extending the same policy of public service to clinical teachers in the Medical School under the same safeguards.

Another one of the difficulties with which we would be confronted in an attempt to secure high grade clinical teachers if we excluded them from private work, would be that of securing enough salary to attract them. We cannot pay such salaries now. Indeed, we know of no medical school that is able to pay such salaries. Moreover, many good men would not come for a higher salary if they were compelled to sever all connections with private practice. Their growth, interest in scientific achievement, and improvement in teaching require the varied experience and opportunities that come from such practice.

On the other hand, the Harvard full-time plan which provides for an opportunity for the clinical man to carry on a certain amount of practice in the university itself, a plan which has been adopted at Harvard, Columbia, and other schools, has been made use of to a limited extent at the University of Minnesota. At Columbia, the Presbyterian Hospital of New York, the plan is as follows: 30 beds are set aside for the private patients of the staff, also a set of offices with an outside entrance. In these offices the staff members can see their personal patients with a minimum loss of time to the university. If hospital treatment is indicated, the patient is placed in the private service and attended to in the ordinary routine of the professor's daily work. The professor collects his own fees.

We are of the opinion that the following things are true: First, that the clinical professor under this plan is less in competition with the medical profession by virtue of the prestige of a university connection than was the case under the old plan where medical students were taught by practitioners in the time they could spare from their practice; second, the time of the professor is economized; third, the university itself furnishes only hospital facilities and is not in the practice of medicine; fourth, the services of the professor are available to any member of the profession who may desire to refer cases to him.

This is the arrangement which the Medical School made originally with Dr. Rowntree in 1915, although it was never actually put into effect. It is the arrangement which has been more recently made with Drs. Schlutz, Fahr, Berglund, McKinley, and a few others.

We submit that this arrangement is fair to the medical profession and that it secures to the service of the University the type of teacher and investigator that modern medical education demands. It is a policy which was approved by the responsible governing board of the Medical School, many of whom are active practitioners and devoted to seeing our Medical School in the front rank.

Another one of the essentials as stated at the beginning of this letter for a good medical school, is adequate facilities. This means clinical facilities. It means a hospital, dispensary, and patients. The University Hospital has been built partly by state funds, and it is supported partly by state funds. For nearly ten years now the University has recognized the fact that if it expects to build a medical school with hospital facilities that will compare favorably with those of neighboring institutions of learning, it will be necessary for it to secure private gifts for the construction of new hospital units and that these new units must be supported partly by endowment and fees. The Elliot bequest, of course, was for a charity hospital. The stipulations agreed to in the case of the Elliot bequest have been carried out and are being carried out at the present time. When the regents accepted the gift of the Citizens' Aid Society it was with the understanding that at least 25 beds would be reserved for patients who could pay and the regents also stipulated at the time of the erection of the Todd Hospital that it should be made self-supporting. The Eustis unit will receive an endowment which will practically support it. The University Hospital has increased in cost of operation from \$5,000 in 1909-10 to \$315,247 in 1926-27. The number of hospital beds has increased from 24 in 1909-10 to 300 in 1925-26. The University will be using approximately \$250,000 of its funds this year for the support of the hospital. This sum is a heavy drain upon the resources of the University. It requires \$315,000 to maintain the hospital. The difference between the cost of maintenance and the sum the University can supply comes from fees.

The regents have also given considerable consideration to the broad questions of public policy involved in the administration of the hospital. They have raised and discussed on a good many occasions the question: Should and can the University deprive a citizen of the right to any university service on the basis of his financial standing. It is a fact, of course, that no one is excluded from any other state

institution on the sole basis that he is able to pay for service elsewhere. Naturally the regents felt that they would not be justified in reversing a state policy by making a rule which would exclude a sick citizen who was willing and able to pay.

It should be remembered that all patients that come to the University Hospital are used for instructional purposes. This applies to the pay patients and to the per diem patients as well as to the charity patients. In the case of the per diem patients, the University is of the opinion that it has an obligation to receive them, that it will be seriously handicapped in the teaching of its students if it does not take them, that they constitute a material element of revenue for the hospital without damaging other hospitals of the medical profession, and that this revenue is needed, in fact it is absolutely essential, for the support of the hospital. Furthermore, it seemed to the regents that it was better for such patients to retain their self-respect by being given the privilege of paying what they were able to pay.

Every step which has been taken by the Board of Regents has been taken in the interest of medical education. We must have patients in order to teach our students properly. Without patients, the Medical School must be abandoned. We should have a large charity service supported by the state. That, however, is not as yet fully provided. But when it has been provided, the regents are of the opinion that it will still prove inadequate and that both per diem and pay patients will prove to be not only desirable but necessary.

I am very glad on behalf of the Board of Regents to submit this statement. As citizens they count on your interest and as men devoted to the battle against disease and suffering, they want you above all others, to know that their every effort and thought concerning medical education at the University of Minnesota is to send out into your ranks men worthy to sustain by their sound training the good name and best traditions of the medical profession of the state.

Let me assure you and the other members of your committee, in case you desire any additional information concerning the policies of the University relative to the administration of the hospital, that we shall be glad to supply it. This letter, may I add, has been approved by the regents.

Cordially yours,

L. D. COFFMAN,
President

DATA CONCERNING THE HOSPITAL AND MEDICAL
SCHOOL OF THE UNIVERSITY OF MINNESOTA
AND OTHER STATE UNIVERSITIES

**Prepared for the Conference Committee of the Minnesota State
Medical Association**

July, 1926

The following document contains information concerning the University Hospital and Medical School, which may be of use to the committee. Also information concerning other institutions. The material has been arranged under the following heads:

- I. History of the University Hospital.
- II. Hospital support.
- III. The full-time plan and its relation to the private patient service.
- IV. Per diem patients.
- V. Other state university hospitals.

I. HISTORY OF THE UNIVERSITY HOSPITAL

Originally American medical colleges were institutions giving didactic instruction almost exclusively. Clinical instruction, apart from lectures, was in the form of large amphitheater clinics, in which the student had practically no opportunity for the examination of patients. Few medical schools had hospitals of their own or any arrangements under which they could control clinical material. A large part of the schools were dependent for teaching and teaching materials on members of the medical profession who happened to hold hospital staff positions. It was the independent hospital rather than the school which determined who should teach. With the founding of Johns Hopkins Hospital and Medical School, and as the need for practical training and real contact between student and patient became better realized, there arose a strong movement for university hospitals. In 1905 the opportunity came to Minnesota. Through Mr. Walter J. Trask, executor of the will of Mrs. Mary Elliot, widow of Dr. Adolphus F. Elliot, an offer of money for the erection of a hospital as a memorial to Dr. Adolphus F. Elliot was made to the Board of Regents.

On October 5, 1905, the Board of Regents extended to Mr. Trask "the high appreciation of the Board of Regents for his generous action" but asked him to extend the time for acceptance until the same should have been submitted to, and received the approval of, the legislature.

On April 2, 1907, the legislature passed the act approving the action of the regents in accepting the donation of \$113,000 from Mr. Trask for the erection of the hospital and of a donation from a group of citizens of \$50,000 (the act reads \$50,000 but the sum was really \$42,000) for the purchase of a site.

Section 3 of this act reads as follows :

That said Elliot Memorial Hospital building shall belong to and be forever a part of the University of Minnesota. It shall receive for free care and treatment indigent persons suffering from disease who have resided in the State of Minnesota for not less than six months. The said hospital building shall be managed and controlled by the board of regents of the state university, who shall adopt such rules and regulations as it may deem proper and necessary for the admission, discharge, government, care and treatment of such sick poor by the members of the staff of the department of medicine of the said university.

The building of the hospital was delayed for various reasons, the most important being, apparently, the choice of a site, the donation for a site having started the movement for the greater campus and the Cass Gilbert plan for the greater university. Meanwhile the funds were left at interest. The need for a hospital, however, was so great that the regents consented to a small start in a residence on Washington Avenue. Here the University Hospital first opened in March, 1909, the legislature of that year having made an appropriation of \$5,000 for the support of the hospital during 1909-10, and \$15,000 for the year 1910-11.

Meanwhile the present site for the Medical School and Hospital was finally decided upon and construction begun. The present Elliot building was dedicated September 5, 1911. Its capacity was about 108 beds. Dr. L. B. Baldwin was appointed superintendent, June 7, 1910.

In 1911 the legislature made an appropriation of \$50,000 for the construction of a service building. The building was completed in 1913. The kitchens and other utilities previously housed in the Elliot building were transferred to the service building, and the capacity of the hospital proper increased about 84 beds, or to a total of 192 beds.

THE TODD MEMORIAL

In July, 1918, Dr. Frank C. Todd died. He had been for several years chief of the Department of Ophthalmology and Oto-Laryngology and at the time of his death was in the military service of the U.S.A. as colonel and commander of the base hospital at Camp Dodge, Iowa. He was an alumnus of the Medical School and for many years a member of the faculty. He had shown great interest in the University Hospital and had acted as a member of the hospital extension committee.

Among Dr. Todd's papers were found memoranda concerning a hospital for eye, ear, nose, and throat diseases, which he had desired to found. It was the wish of Mrs. Todd and of the friends of Dr. Todd that his plans be carried out and that the hospital, when built, should be a memorial to Dr. Todd. It seemed wise to all concerned that this hospital should be a part of the University Hospital system.

Toward the realization of Dr. Todd's plans, Mrs. Todd offered a gift of \$20,000; Mrs. Edward C. Gale offered a similar gift of \$20,000. Their gifts were accepted by the Board of Regents on February 6, 1923. At a later time, Mrs. L. E. Mapes gave \$5,000 toward building the Todd Memorial.

The Board of Regents on February 6, 1923, adopted the following resolution:

Whereas, Dr. Frank C. Todd was a physician of rare skill, an enthusiastic and effective teacher, and for several years the valued head of the Department of Ophthalmology and Oto-Laryngology in the University of Minnesota; and

Whereas, Dr. Todd died in the service of the country while Colonel in the Medical Corps of the U. S. Army and Commander of the Base Hospital at Camp Dodge; and

Whereas, among his papers were found certain memoranda setting forth his desire and purpose to found and erect a hospital for Eye, Ear, Nose, and Throat Diseases; and

Whereas, it is fitting that such hospital shall be located on the campus of the University of Minnesota and be erected in part by contributions made by friends of Dr. Todd and in part by funds appropriated by the University, and that it shall be an enduring memorial to Dr. Todd;

Be it resolved by the Board of Regents of the University of Minnesota;

That the Board has accepted the gifts already made and will accept such undesignated gifts as may hereafter be made with the understanding that same are to be devoted exclusively to the erection of said hospital. Any sums which may be donated for equipment or for maintenance will be devoted exclusively to the purpose designated;

That the Board of Regents expresses its intention that such hospital shall be devoted chiefly, and so far as necessary, to the purposes set forth in the memorandum of Dr. Todd, namely the alleviation of those afflicted with eye, ear, nose, and throat diseases, the scientific investigation of the causes and means of cure of such diseases and the education of physicians and in particular of specialists in said diseases;

That the Board of Regents expresses its intention always to keep in medical charge of the eye, ear, nose, and throat services in said hospital adequately trained experts in Ophthalmology and Oto-Laryngology, and to give such experts appropriate rank on the faculty of the Medical School as set forth in said memoranda; and

That the Board of Regents will conduct said hospital in the best scientific manner, as part of the University hospital system in such a manner as to make it self-supporting;

Be it further resolved that the Board of Regents having in view the services of Dr. Todd and the donations made or to be made by his friends toward the erection of said hospital, declares its intention to maintain the same as a permanent memorial to him.

The building of the Todd Memorial began in the spring of 1924 and it was opened September, 1925.

The opening of the Todd Memorial gave the Medical School for the first time, an adequate hospital amphitheater.

THE CANCER INSTITUTE

Through the Citizens Aid Society of Minneapolis, Mrs. George Chase Christian offered the University \$250,000 for a Cancer Institute. The gift was accepted on February 6, 1923. The following are excerpts from the deed of gift:

The Donor has investigated and is familiar with the conditions existing at the Medical School at the University and believes that the Donor can render to the University and through it to the people of the Northwest a beneficial and lasting service by setting up on the campus a hospital for the care and treatment of those afflicted with cancer, which shall be available for use for all classes of persons, both those who are able and those who are unable financially to secure such care and treatment.

The Donor hereby gives, grants, and sets over to the University the sum of Two Hundred Fifty Thousand Dollars (\$250,000) to be by it expended and paid for the following purposes only, to-wit:

(a) For the erection on the campus of the University in Minneapolis at a cost, (including equipment other than the equipment mentioned in the next paragraph (b)), not to exceed the sum of Two Hundred Thousand Dollars (\$200,000) a building containing not less than fifty beds, to be used as a hospital for the investigation of cancer and the treatment of persons afflicted therewith.

(b) For the purchase of a modern X-ray machine and to purchase radium, the sum of Fifty Thousand Dollars (\$50,000).

(c) Any unexpended portion of said appropriation of Two Hundred Thousand Dollars (\$200,000) for the erection of said building may be appropriated by the University for the purchase of additional equipment or for additional supplies of radium or for research purposes, in connection with the work of the Institute.

The Hospital shall be located on the campus of the University, adjoining Elliot Memorial Hospital, unless some other location shall be agreed upon by the Donor and the University before the University is ready to begin building operations; it shall be a part of the Minnesota General Hospital under and subject to the provisions of Chapter 411, Session Laws of Minnesota, 1921, except that not less than twenty-five beds contained in said Hospital shall at all times be kept available for the use of patients who are financially able to pay for the care and treatment furnished to them, and the gift made by the Donor is made upon the condition that a sufficient number of beds in said Hospital, not less than twenty-five in number, shall be so used for the care and treatment of persons afflicted with cancer who are financially able to pay therefor, and said Hospital shall be conducted upon a self-supporting basis and without any obligation on the part of the Donor to contribute to the support thereof. Provided, nevertheless, that if there are vacant beds in said Hospital for which there is no demand from patients financially able to pay therefor the same may be used for the care of other patients.

The Cancer Institute and Todd Memorial were built together, having been started in the spring of 1924, and opened in September, 1925.

THE EUSTIS GIFT FOR CRIPPLED CHILDREN

On June 14, 1923, Mr. William Henry Eustis, of Minneapolis, offered to the University 44 acres of land on the West River Drive, near Minnehaha Park, and other property to a total value of \$1,000,000 for the construction and support of an institution to be known as the Minnesota Hospital and Home for Crippled Children.

The following are significant paragraphs from Mr. Eustis' letter of above date:

I have deeded to the board of education, twenty-one acres for the site of the Dowling school and any other buildings it may erect thereon, all devoted to the care and education of crippled children. This tract is almost in the center of the combined population of the two cities, and with the bridges to be built, the children of St. Paul and Minneapolis should have equal advantages.

It is my purpose that the remaining forty-four acres shall be used largely for the medical care and treatment of crippled children, giving them in their tender years, the best service that advanced medical science and skill can provide, in restoring them to health, happiness and usefulness.

No human service is superior to that of helping those who can not help in return.

This plan contemplates the erection of a hospital, convalescent homes, and other buildings necessary for the children's care and comfort, and to furnish them the medical, surgical and nursing aid required. The educational advantages intended are now to be provided for by the board of education on the adjacent tract.

How best to establish, carry out, and perpetuate this trust has required much thought.

After consulting with those best qualified to advise, I have decided to deed the site to, and place the endowment when completed with, the University of Minnesota, thus insuring for the present and future, the highest service that medical science can give to those unfortunate patients.

In the administration of this trust there should be no discrimination as to race, color or creed. If at any time without impairment of its services to the needy children, the University of Minnesota can do so, it may accept, treat and care for any crippled child or children whose parents or friends, or any party interested, are financially able to pay for the same. The compensation so received shall supplement the income from the endowment funds in the maintenance of said hospital and home.

I propose to convey to the University of Minnesota and hereby tender it the deed of the aforesaid tract of about 44 acres, of the value of \$100,000, as a site for the buildings connected with said trust, and I agree to deliver to the University of Minnesota on or before July 1, 1927, interest and dividend bearing securities, and ground leases, of the value of \$900,000 making a total sum of \$1,000,000, *all in trust perpetuity to be used for the well-being of needy crippled children.*

The University of Minnesota shall have full authority and power to administer said trust and be held responsible for its efficient and economical management. It shall determine how much of the funds shall be expended on buildings and how much shall be reserved for endowment, the income from which is to be used for maintenance.

If it shall be thought best by the University of Minnesota to locate the hospital for clinical and surgical work on its campus as a better and more convenient location for its medical staff to treat the patients and avoid duplication of expensive appliances and equipment, and thus separating the operating subjects from those convalescing, it may do so. The convalescent home and all other buildings to be on the river bank site.

At a meeting of the regents on June 19, 1923, the offer was formally accepted. The actual transfer of this gift to the University was completed on December 22, 1924. The following is from Mr. Eustis' letter of that date:

I have this day deeded to the University of Minnesota an undivided four-fifths interest in the Flour and Corn Exchange properties, being all my holdings therein, which, with the properties real and personal previously transferred to it, is in full of my pledge of June 14th, 1923, of \$1,000,000 for the well-being of needy crippled children. All of said property, except the site of 44 acres, being income bearing, the value of which, including the net income thereon to July 1st, 1927, as provided by the terms of said pledge, should amount to, at least, the sum of \$1,500,000. I will continue to manage the property, as now, so long as my health permits, without financial consideration. In my judgment it would seem wise to let all the income be added to the principal of the trust until, at least, July 1st, 1927.

II. HOSPITAL SUPPORT

For the first ten years of its existence, the University Hospital (Elliot Memorial) was supported by legislative appropriations for that purpose. The budget of the hospital from the beginning has been as follows:

	Total Budget	Actual Expendi- ture	Receipts in Cash	Special Appropri- ation	Support Deficit	Support Balance†
1909-10 (3 mos.) ...	\$ 5,000.00			\$ 5,000.00		
1910-11 ...	15,000.00	\$ 36,809.64		48,300.00*		\$ 11,890.36
1911-12 ...	79,600.00	76,296.17	\$ 1,485.66	79,600.00		4,789.49
1912-13 ...	79,600.00	88,196.03	2,903.43	79,600.00	\$ 5,692.60	
1913-14 ...	80,000.00	90,521.07	5,078.64	80,000.00	5,442.43	
1914-15 ...	80,000.00	86,805.71	4,749.03	80,000.00	2,056.68	
1915-16 ...	85,000.00	92,274.00	8,395.95	85,000.00		1,121.95
1916-17 ...	85,000.00	98,932.00	12,769.60	85,000.00	1,162.40	
1917-18 ...	100,200.00	132,744.00	14,184.16	100,200.00	18,359.84	
1918-19 ...	100,200.00	152,529.00	14,191.52	100,200.00	38,337.48	

* \$15,000 for 1910-11 appropriated in 1909, plus \$33,700 appropriated in 1911 in anticipation of deficit for 1910-11.

† Balances left over reverted to support or, (amounting to the same thing), were applied on next year's expenses. Deficits were paid from support.

The sums listed under "total budget" were appropriated directly by the legislature for the support of the hospital. These appropriations became inadequate as early as 1913-14, and the University was compelled to resort to other means to secure enough money to support the hospital.

At the 1919 session of the legislature the request for hospital maintenance was discontinued as a separate appropriation and was merged with the general university appropriation. Since that time the hospital has been financed by the University from support funds, these in time being partially reimbursed by receipts.

The actual distribution of the hospital budget since 1918-19 is as follows:

	Budget	Actual Expenditure	Cash Receipts	Receipts General Hospital Act	Support
1919-20	\$132,200.00	\$158,430.00	\$ 18,753.00		\$139,677.00
1920-21	165,536.00	176,915.00	33,273.00		143,642.00
1921-22	175,548.00	187,067.00	27,449.00		160,518.00
1922-23	172,595.00	194,425.00	24,444.00		169,981.00
1923-24	179,280.00	204,550.00	37,871.00	\$ 10,733.65†	153,813.39
				2,131.96*	
1924-25	227,900.00	239,164.97	52,822.00	50,000.00‡	127,768.00
				8,574.97*	
1925-26	310,697.00	282,210.66**	62,212.94	117,268.00‡	99,313.06
				3,416.66*	
1926-27*** ...	315,247.00		62,000.00		253,247.00

† Accruals General Hospital Act 1921-23, allowed by legislature, 1923, and credited against expense of hospital for 1923-24.

‡ Accruals General Hospital Act 1923-25, allowed by legislature, 1925, and credited as indicated against expense of hospital for 1924-25 and 1925-26.

* Psychopathic, special appropriation of \$15,000 made in 1923, expended as indicated.

** Expenditures are considerably less than budget estimate due to the fact that Cancer Institute and Todd Hospital were not opened until late in the year.

*** Budget estimate.

MINNESOTA GENERAL HOSPITAL

In 1921, the legislature passed what is called the General Hospital Act, under which the official name of the entire University Hospital system became "The Minnesota General Hospital." The act provided that judges of probate for their respective counties should certify to the General Hospital patients financially unable to pay; and that one half of such expense should be charged back to the counties from which the patients respectively were certified. Unfortunately, the legislature did not appropriate any money to carry this act into effect. The University was forced to support the hospital out of its funds during the succeeding biennium. It kept an accurate record of all the General Hospital cases and filed it with the state auditor. At the next session of the legislature, the University presented a bill for the care and treatment of those cases and the legislature reimbursed it. This same procedure was repeated during the biennium that closed in 1925 and the legislature reimbursed the University. But this legislature (1925) stipulated in the general appropriation bill that the appropriation made for the present biennium was to include the appropriation for the hospital. The clear intent of this action was to prohibit the University from asking for reimbursement for the patients sent in under the General Hospital Act. The effect of this will be, unless additional revenue from other sources can be found, to place a still heavier burden upon university support. In other words, the University must provide out of its funds, approximately a quarter of a million dollars to support the hospital. Such a sum was not included in the University's biennial askings for this purpose. The University has for several years maintained that the state and counties should participate in paying the costs of caring for their indigent patients and that this sum should be in addition to the amount allotted to the University for its other purposes.

It is most desirable that the legislature make appropriations for the estimated expense of carrying on the General Hospital Act, in advance, so that the money for a given biennium may be available as needed in the state treasury, to be paid to the University on monthly accounts. Apart from this the General Hospital Act is working well and the service is increasing. For convenient comparison the number of patients and the accrued receipts under the act are recapitulated as follows:

MINNESOTA GENERAL HOSPITAL
Number of Patients and Amount of Expense Charged

Month	1921-22		1922-23		1923-24		1924-25		1925-26	
	Patients	Charged	Patients	Charged	Patients	Charged	Patients	Charged	Patients	Charged
July			10	832.30	4	583.00	88	10,558.65	124	10,428.45
August			8	658.20	23	842.40	106	11,702.15	121	9,914.00
September			5	422.25	41	3,158.05	74	10,051.70	123	11,023.30
October			14	969.75	59	4,361.70	88	10,746.40	116	12,598.25
November			6	684.55	65	4,988.70	92	11,133.30	114	12,729.05
December			7	613.25	71	6,143.45	102	11,503.60	166	14,483.10
January			6	787.15	77	6,896.20	107	11,285.00	143	15,575.25
February	13*	910.30	8	825.50	80	7,635.50	119	10,937.75	164	15,001.90
March	12	479.95	9	873.40	89	7,233.00	133	11,483.45	167	17,591.90
April	10	581.55	6	674.05	95	7,573.30	124	11,008.30	171	15,757.90
May	20	1,070.85	7	472.70	86	8,417.00	105	11,211.80	160	16,962.90
June	11	1,024.65	5	465.80	79	8,422.00	105	10,670.35	152	15,823.10
	66	4,067.30	91	8,278.90	769	66,254.30	1,243	132,292.45	1,721	167,889.10

* November, 1921, to March 1, 1922.

III. FULL-TIME CLINICAL TEACHING AND ITS RELATION TO PRIVATE PATIENTS

Clinical teaching is the most difficult problem in any medical school.

As long as medical schools were proprietary institutions the problem was simple. Those who owned the school—always prominent physicians in practice—divided up the chairs among themselves. There was no inclination nor necessity to look elsewhere. Medical education was a business and of no concern to those who were not stockholders. Of course all professors were practitioners and, therefore, “part-time” so far as their teaching activities were concerned.

The instruction was almost wholly by lectures and amphitheater clinics. The students had little contact with patients.

In the last quarter century the methods of clinical teaching have changed very much. Students are now taken into the hospital and work with the patients as clerks. Much more individual and small group instruction is demanded. Much more time must be devoted to teaching by the clinical staff. During the same time almost all medical schools have become definite departments of universities and permeated with university ideals. Among these the ideal of research as a university function of equal importance with teaching has found a high place. It is believed that universities should contribute to knowledge as well as teach. It is quite universally believed that a research atmosphere is the best atmosphere for teaching, and that some of the clinical professors must be men who are qualified to investigate medical problems and lead students in such pursuits.

The position of a clinical teacher, as now conceived, is one requiring special preparation. It is not believed that because a man is a good and prominent doctor he is thereby necessarily qualified as a professor. Further, it is apparent that such a position demands all, or nearly all, of a man's time, thought, and energy. It is an extremely rare thing to find a man who can conduct a large private practice and at the same time satisfactorily function as head or major teacher in a clinical department under the new requirements.

It is the universal opinion of medical educators that clinical departments manned by part-time men are not so efficient as science departments manned by specially trained full-time men. It is the opinion of those who remember when the fundamental branches were taught by practitioners, that these branches are much better taught now.

There is a belief also that clinical departments under men not actively in practice would be less influenced by the competition and politics of practice, i.e., teachers would be chosen wholly on their merits and not because they were associated with a particular hospital or group.

These thoughts have been expressed by medical educators all over the country during the last twenty years. The desire of medical educators is to bring the clinical departments up to the university level in teaching, research, and general efficiency. No way of doing this appears satisfactory except that clinical professors should be full-time men like other professors, their chief interest being in the university and not in private practice.

This matter of clinical teaching and its relation to practice have been discussed at Minnesota for over ten years. President Burton in his annual report to the regents for the year 1918-19 says:

The medical situation is critical. The way out seems to lie in the direction of engaging the approximately full-time clinical teacher on the basis of a moderate salary and to combine with it the privilege of engaging in a reasonable amount of private and consulting practice. Such a plan has two advantages: (1) it gives the member of the medical staff increased facilities for maintaining his professional contact and standing, and (2) it provides a channel by which adequate and reasonable financial income may be secured.

We come now to the heart of the problem. If such a professor is to utilize his time and energies in a wise and effective manner, he must have at his disposal and close at hand hospital facilities for the care of his patients. In our Elliot Memorial Hospital, however, our plans provide for only free and per diem patients. The pay patient is rigidly excluded. Therefore, the logic of the situation leads irresistibly to the conclusion that hospitals must be provided in which pay patients of the members of the staff together with per diem patients can be cared for, or the University is compelled frankly to abandon the plan of full-time clinical teachers. The issue is clearly drawn. For the sake of the part-time men, as well as the so-called full-time men, the latter alternative is unthinkable. But one further difficulty besets us. For the present, and particularly in view of the adoption of the comprehensive building plan, the state can not be expected to provide hospitals for pay patients, even of members of the staff. Therefore, by the very nature of our problem we are driven to the necessity of recognizing that this type of hospital expansion must be provided for by private gifts. This University at once must seek from one-half to three-quarters of a million dollars for hospital expansion with the necessary accompanying provision for the housing of nurses and caring for the administrative and service features. It should be pointed out at once that such a hospital would be self-supporting, even to the extent of providing for overhead charges. It would make possible the carrying forward of plans already adopted for the highest standards of medical training in this University. It would hasten the development of a diagnostic clinic. All types of patients,—free, per diem, and pay patients,—would be given the very best care. The position here taken is unquestionably the logical answer to our present situation. The problem of hospital expansion demands immediate action. No citizen could render a more important service to the University, nor do more to ensure its high place in the Northwest than by providing generously by private gift for the expansion of our hospitals.

Dean Lyon has frequently spoken on this subject before the medical profession, notably before the Southern Minnesota Medical Association at Fairmont several years ago and before the Hennepin County Society in 1925, (see *Minnesota Medicine*, April, 1926).

The first step taken by the University of Minnesota in the direction of appointing full-time clinical heads was in 1915, when Dr. L. G. Rowntree was appointed head of medicine. It was understood before he came that he should not have an outside office or engage in outside practice; but, (since there was no room for private patients in the Elliot) that a small hospital should be arranged for Dr. Rowntree's patients in one of the houses on the campus. The latter part of the arrangement was never carried out, and the regents in making the formal appointment did not adopt the restrictions that had been agreed upon between the Administrative Board of the Medical School and Dr. Rowntree. Nevertheless, Dr. Rowntree had an office at the University and received his patients there as long as he was professor of medicine.

In 1918 Dr. Sedgwick proposed that he should give up his general pediatric practice and become a full-time professor, with the privilege

of consultation. This was agreed to by the Board of Regents. Dr. Sedgwick under this arrangement had no outside office. He saw some patients at his university office and others at the Abbott Hospital, in consultation.

After Dr. Sedgwick's death Dr. Pirquet accepted the chair of pediatrics on the full-time basis, but never really entered upon the work. He was followed in 1924 by Dr. Schlutz under a definite agreement that he should confine his outside practice to consultations and should not have an office down town. In 1925 he was accorded the privilege of beds in the University Hospital.

When Dr. White became head of medicine in 1921 he was on a part-time basis, but he brought Dr. George Fahr here the same year as full-time assistant professor. In 1923 Dr. Fahr was promoted to associate professor. Dr. Fahr had the consultation privilege up to the time of completion of the Todd and Cancer buildings; and when Dr. Berglund was brought here as head, Dr. Fahr was given the privilege of private patients in the hospital equally with Dr. Berglund.

Dr. J. C. McKinley, one of our graduates, took three years of graduate work in neurology and was made full-time assistant professor in 1921 and associate professor in 1925. Dr. McKinley has the same privileges as Dr. Berglund.

Dr. Berglund became full-time head of medicine November 1, 1925, with privilege of consultation with physicians and of receiving private patients in the Todd and Cancer.

While Dr. Strachauer is not a full-time man, it is understood that, as director of the Cancer Institute he has the privilege of private patients there, in accord with the provision for such patients made by the donor of the institute.

Dr. Angus Cameron after his three-year fellowship was made full-time assistant professor of surgery, October 1, 1921, and served until January 1, 1925. Dr. Wangenstein was made full-time instructor in surgery, January 1, 1926.

Dr. W. W. Swanson and Dr. Edith Boyd were elected full-time instructors in pediatrics July 1, 1925; Dr. M. G. Mulinos, similarly, as full-time assistant, October 1, 1925, and promoted to instructor July 1, 1926.

The full-time clinical teachers, (above the rank of fellow), at the present time are: Drs. Berglund, Fahr, McKinley in medicine; Dr. Wangenstein in surgery; Drs. Schlutz, Swanson, Boyd, Mulinos in pediatrics.

The following are the regulations governing full-time clinical teachers adopted by the Administrative Board of the Medical School before the completion of the Todd and Cancer gave private bed facilities:

1. In general, the full time members of the Medical School Faculty will conform with the present regulations for outside work as outlined in the University rules and regulations.
2. The full-time medical teacher shall not maintain an outside office; he shall have no affiliation with any partner, clinic or group; he shall not be on the active staff of any private hospital.
3. The outside work of a full-time clinical teacher shall be limited to consultation work with other members of the profession.

4. The full-time medical teacher will keep a record of all outside work, which shall include,

- a. Date and time of work
- b. Physician calling consultation or person for whom laboratory work is done.

The dean of the Medical School shall be furnished monthly with a copy of this record.

5. The Dean of the Medical School, the President of the University and the University Comptroller shall constitute a board to pass upon the extent of outside work which any full-time member of the Medical School may carry and the decision of this Board shall be final.

Following is copy of a memorandum issued by Dean Lyon to Dr. Baldwin and the clinical heads in the matter of pay patients:

Memorandum of conference November 1925 with Dr. Baldwin and Clinical Heads with reference to the admission of private patients to the University Hospital.

It was the sentiment of the conference that

I. Private patients limited in the field each man represents may be sent to the University Hospital by

- (a) Heads of departments and Director of Cancer Institute.
- (b) Full-time clinical men with approval of chief.
- (c) Such part-time men as the chiefs in particular cases may approve.

II. Private patients applying to the hospital in absence of chief shall be cared for by clinician in charge of such service during such absence.

III. Exact maximum number of beds for such patients to be decided at a later date.

IV. Interns and fellows may be used on private patients under direction of clinician in charge.

V. Fee to be arranged with physician or surgeon in charge of the case and paid to him direct. Auxiliary laboratory services such as X-Ray, where the opinion of the man in charge of such laboratory is requested, should be paid by the patient direct to such laboratory man in the usual way. Physicians* not on the staff may be called in consultation and shall render bill direct in usual way.

PRIVATE CASES

UNIVERSITY HOSPITAL

<i>By Months</i>	1926		<i>By Staff Members</i>		Total Days
			No. Admissions	No. of Different Persons	
January	4	Dr. Schlutz	6	6	43
February	3	Dr. Berglund	4	3	14
March	4	Dr. Michelson	1	1	39
April	1	Dr. Fahr	2	1	5
May	2	Dr. Strachauer	1	1	3
June	1	Dr. Litzenberg	1	1	13
	<u>15</u>		<u>15</u>	<u>13</u>	<u>117</u>

VARIOUS FULL-TIME ARRANGEMENTS

The system under which full-time teachers, so far secured at Minnesota, have been engaged is known as the Harvard System or "geographical full-time" system, the latter expression meaning that all of a teacher's work is done in one place. He is a full-time man in the University Hospital; but his private practice there is like any physician's, private practice, and he collects his own fees. The Harvard System is in use at Harvard, Columbia, partially at Iowa, and in other places.

* This means any physician, whether on the faculty or not.

The Hopkins or Flexner full-time system differs in this respect: The teacher under this arrangement attends pay cases, but all professional fees go to the hospital. This system is used at Hopkins, Washington University, and partially at Michigan, and Iowa. It has been seriously criticized on theoretical grounds by Dr. Bevan and others. In general, men qualified as full-time teachers do not like it. One reason why it has not been seriously considered at Minnesota is because the salaries paid under this system have to be larger than it has been felt could be paid here. Nevertheless, the best thought on the whole question seems to be that the system is not important and that the best procedure is to find the man you want and make that type of arrangement which best suits him, so as to get his maximum time, effort and loyalty for the school.

IV. PER DIEM PATIENTS

For several years after the Elliot Hospital was established only free patients were admitted. The hospital was supported by legislative appropriation.

In the fall of 1918 the University Hospital costs, due to war and post-war conditions, caused serious embarrassment. On November 14, 1918, President Burton wrote Dean Lyon as follows:

At a meeting of the Board of Regents today we came to the discussion of the business policy in connection with the conduct of the Elliot Memorial Hospital. We feel that the amount of \$100,000 a year for the expense of the operation of the Hospital is pretty expensive and have been wondering whether there could not be devised some method by which the Hospital could be divided into two parts by which patients would be admitted free and others on the per diem basis, etc.

Dean Lyon referred this letter to the Administrative Board of the Medical School, which (December 5, 1918) voted that, while future additions to the hospital should be supported upon the per diem basis, it was "not desirable to ask the legislature to change the present understanding in regard to free patients in the Elliot building." In coming to this decision the Administrative Board considered (a) the obligations to the donors of the Elliot Hospital, (b) the educational value of the existing system, (c) the possible opposition of the medical profession. This action was communicated to President Burton.

At a meeting of the Board of Regents held on December 10, 1918, the matter was further considered and as a result, President Burton wrote to Dean Lyon:

In the meeting of the Board the clear feeling prevailed that it would not be a violation, either technically or morally, of the provisions of the deed of gift, if under the circumstances, some of the beds were put on the per diem basis. This feeling was justified by the figures stated in both Dr. Beard's letter of November 23rd and by the Comptroller as attached.

The Regents felt that any plan which may be devised should not interfere with free patients. That is, if there were enough free patients to fill up the entire Hospital, room ought to be made for them. In the second place, it was suggested that approximately fifty beds could be set aside for per diem patients who were in a position to pay for their board but who were unable to pay for doctors' fees.

The figures furnished by Dr. Beard and the comptroller which were before the Board of Regents at that time and later, showed that the Elliot estate, other donors and interest, had contributed (including land) the sum of \$162,000 toward the University Hospital; while the state, toward the original building, equipment, intern quarters, and the later constructed service building, had contributed \$151,200.

In a third letter to Dean Lyon (December 23, 1918) in response to questions raised by the dean in a letter dated December 19, 1918, President Burton said:

My thought has not been that we should consider the possibility of a change for the purpose of having some experience with the per diem method. The whole subject has grown out of a feeling in the Board of Regents that it might be advantageous to reduce, if possible without harming the standards of the hospital or the educational facilities offered by the Medical School, the expense involved in the conduct of the Hospital.

I really believe that this is the outstanding point in the minds of the Regents. The increasing expense necessary for the maintenance of the Elliot Memorial Hospital, and whether or not without harming in any way our educational work, some satisfactory method could be devised for reducing the expense.

At the meeting of the Administrative Board of the Medical School on January 9, 1919, the board instructed the secretary, Dr. Beard, to draw up arguments against the proposal of per diem patients.

The letter presenting these arguments was dated January 15, 1919, from Dr. Beard to President Burton and stresses the arguments already mentioned and also mentions the difficulty which would be encountered in mixing free and per diem patients in the same wards.

The question then arose as to whether future additions to the hospital should be supported by charges against the patients. This question was raised for example in a letter from Dr. W. J. Mayo to President Burton, dated February 24, 1919, in which he said: "I believe we should have a clear expression of opinion from the doctors [meaning the medical faculty] as to whether they would be willing to recommend that if a new hospital were given to the University, it should be established on a per diem basis. . . . We would have trouble convincing the Legislature that they should support another charity hospital."

Dr. S. Marx White, as chairman of the Hospital Extension Committee of the Medical School, wrote President Burton on March 6, 1919, that both the committee and the Administrative Board "have placed themselves on record as advocating the per diem principle for additional buildings to be erected." Dean Lyon also wrote President Burton on March 1, 1919, to the same effect.

To this letter from Dean Lyon, President Burton replied on March 7, 1919, as follows:

I had a letter today from Dr. White in regard to the per diem plan for Elliot Memorial Hospital, and also your letter of March 1st. These were presented to the Regents today. Dr. Mayo was present. After careful consideration, it seemed wise not to change the plans on which the Elliot Memorial Hospital is conducted, but to look forward to the acceptance of this principle of per diem patients in our new hospital pavilion.

However, the matter came up again later in the spring of 1919 when the budget for the next year was in preparation, the financial pressure from rising costs having become even more acute. On May 31 the president wrote to Dean Lyon:

We have come to the point now, where in the actual preparation of the budget it seems necessary to set aside \$25,000 additional for the operation of that Hospital, and frankly, in view of the needs of the entire institution, I do not feel that we ought to do it. I do not feel that I would be performing faithfully the duties of my office, if I let this subject pass without further consideration. I hope that in some way we can arrange to have the patients pay for the food they eat. I believe that it can be done without any legal obstacles and without breaking faith with those who originally gave the Hospital.

Moreover, from our conversation, you are fully aware that Senator Rockne, Chairman of the Finance Committee, questioned seriously whether we ought to spend the state's money in this way. I think it will aid us very materially with the Legislature in the future, if we could point out that on our own initiative we have taken care of this situation. I believe the matter ought to be the subject of very careful investigation and deliberation, and I hope very much that you may be able to do something on the subject.

Dean Lyon appointed a special committee to consider the question anew. The committee made the following report which was adopted by the Administrative Board on July 3, 1919, and recommended to the Board of Regents:

To the Administrative Board of the Medical School:

Your committee appointed for the consideration of a per diem plan in the University Hospital recommends the following:

1. The establishment of fifty per diem beds in said institution.
2. That the above fifty per diem beds be on the same teaching and professional care basis, including nursing, as the free beds of the Hospital are.
3. Vacant per diem beds may be occupied by free patients at the discretion of the administration, provided that there be no application by per diem patients at such time.

Persons, residents of Minnesota, who are in need of hospital care and skilled medical attention by reason of illness, and who are able to pay the per diem charge but who are unable to pay for ordinary professional care, may be admitted to the per diem service upon application to and acceptance by the University Hospital authorities.

It is recommended that the details of administration of the per diem service be considered by a committee, and that a report regarding the same be submitted at a later date.

Committee:

DR. J. P. SEDGWICK,
DR. L. G. ROWNTREE,
DEAN E. P. LYON, ex-officio,
DR. L. B. BALDWIN, ex-officio,
DR. A. C. STRACHAUER, Chairman.

In presenting these resolutions, Dr. Strachauer's committee offered the following memorandum which was before both the Administrative Board of the Medical School, and, subsequently, the Board of Regents at the time these bodies respectively considered the above resolutions:

Memorandum relating to the consideration of a limited per diem plan for the University Hospital.

Amount of original bequest from the estate of Dr. and Mrs. A. F. Elliot	\$100,000
Additional bequest from Walter H. Trask	13,000
Accrued interest on both above items	7,000
<hr/>	
Total	\$120,000
Subscription by Minneapolis citizens for land on which to place the University Hospital	42,000
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From private sources.....	\$162,000
Amounts appropriated by the State of Minnesota:	
1. for completion of original building	40,000
2. for the equipment of the hospital	43,200
3. for the construction of service building	50,000
4. for equipment of service building	6,000
5. for construction of interne quarters, approximately	6,000
6. for re-equipment of basement rooms, done by Dept. Buildings and Grounds, approximately	6,000
<hr/>	
Total	\$151,200

In addition to the appropriation of \$151,200 by the State, the Legislature has provided for the maintenance of the entire hospital from the date of opening. Due to the increased cost of operating the hospital, an additional twenty-five thousand dollars appropriation will be required for the coming year. This extra twenty-five thousand dollars is considered excessive, both by the Legislature and the administration of the University.

The University Hospital building as originally planned provided for 108 beds. Due to additions and changes in the original building, made possible by the construction of the service building, etc., the present capacity of the hospital is 192 beds. In other words, at least 84 of the present number of beds in use at the University Hospital have been directly provided for by state appropriation.

If it is desired and deemed wise to institute a per diem charge for certain beds at the University Hospital, it would seem that the administration would be legally and morally justified in placing up to the number of 84 beds on such a basis. Taking into consideration the capacity of the hospital, the division of space on the various floors, the question of administration, and the fact that the sum of \$25,000 for maintenance is the amount which is considered burdensome, the establishment of 50 per diem beds, ten on each floor, would make satisfactory provision for the per diem plan. This would reduce the number of free beds in the hospital by approximately one-fourth, but would in no wise be a reduction in clinical material. A per diem charge for such beds comparable to the customary minimal charge in the general hospitals of our state, would easily yield the \$25,000 above referred to, or even more.

Under authority of a letter from President Burton the per diem service was inaugurated; and on October 2, 1919, the following announcement was sent by the superintendent of the University Hospital to the physicians of the state:

The University Hospital has inaugurated a pay ward service to consist of a maximum number of fifty beds. No private rooms are available.

Subject to the general regulations of the Hospital, admissions to this service will be limited to residents of the State of Minnesota who are without property or means sufficient to enable them to pay both physicians' fees and hospital charges, but who are able to pay reasonable hospital charges alone and who are not afflicted with incurable, inoperable or communicable diseases.

Admissions will be based only upon the applications of regularly licensed physicians. Blanks for this purpose will be furnished upon request.

The Hospital does not receive chronic cases unless these be of a kind capable of receiving decided benefit, through hospital care and treatment, for a limited period, to be determined in each case by the proper hospital authorities.

In urgent cases, application for admission may be made by telegraph or telephone, but in all instances, they shall be properly certified by a regularly licensed physician. In other instances, the application must be regularly forwarded and an acceptance on the part of the hospital awaited before sending the patient.

It is understood that all cases admitted to this service will be used for teaching purposes by the faculty of the Medical School in the same manner as all other cases admitted to the Hospital.

The right is reserved to the Superintendent to reject the application for the admission of any case.

No patient can be kept in the Hospital for a longer period than sixty days, save in exceptional cases and then only upon recommendation of the chief of clinic in control of the service to which the patient is assigned.

All patients must be provided with suitable clothing and underwear and with sufficient funds to cover all transportation charges from their places of residence to the Hospital and return.

Emergency cases, such as poisoning, injury and the like, will be received at any time without restriction when the necessary space is available.

Patients will be discharged from the Hospital whenever their condition permits, through the action of the Superintendent, based upon the recommendation of a chief of clinic or his representative. Patients may be discharged at any time for their failure to conform to the rules of the Hospital. If a patient leaves the Hospital without the authority of the Superintendent and attending medical officers, he or the person removing him, shall sign a written statement assuming all responsibility for such action.

The charge for this service will be at the rate of fifteen dollars (\$15.00) per week. An additional operating room charge of six dollars (\$6.00) will be made each time the operating room is used for individual surgical patients. Additional charges will also be made for certain drugs and special surgical appliances when used, and for X-Ray examinations. These additional charges will be based upon the approximate cost of the service rendered.

A deposit in advance, sufficient to cover at least one week's charges, will be required of each patient on admission. Thereafter the payment of the weekly charge in advance will be required.

There will be no charge for professional care.

L. B. BALDWIN,
Superintendent

The concern of the administration in this matter continued. The president was very desirous that the receipts from the per diem service be increased. It was felt that the doctors of the state did not properly support the hospital by sending in cases and that the hospital superintendent and clinical teachers did not make sufficient effort to get such patients. On December 9, 1919, President Burton wrote to Dean Lyon:

In the Executive Session of the Board of Regents today, we continued the discussion of our hospital expansion, and particularly the situation in the Elliot Memorial Hospital. We understand that we have fully established the principle of setting aside fifty beds of the Elliot Memorial Hospital for per diem patients. We are also informed that approximately twelve of these beds have been used for this purpose up to date. At the meeting today, it was decided that fifty beds should be set aside and reserved for per diem patients only. It is felt that under these circumstances methods will be devised and steps will be taken for filling the beds with per diem patients.

On December 11, 1919, Dr. W. J. Mayo wrote President Burton as follows:

I think it would be well also to urge the staff of the University Hospital to send out personal letters calling attention to the financial straits of the University, the reduction in the charity beds, and the urgent need of per diem patients to maintain the clinical usefulness of the hospital.

The concern of the administration in the matter of better support for the per diem beds is illustrated by the following incident: On

February 21, 1920, Dean Lyon requested funds for the improvement of the X-ray apparatus. In advising the president on this request, Mr. Hayes, university comptroller, under date of February 24, 1920, says:

I know that the hospital radiograph equipment is not what it should be and it appears to me that we shall have to make this appropriation.

I should like to inquire if anything further has been done with reference to changing the regulations for admitting pay patients in the hospital, I feel powerless to do anything in regard to the matter and I would suggest that you make a comparison of the Minnesota entrance requirements with those at Michigan. If it is left to the doctors to recommend pay patients they will not do it. On the other hand, if they deal directly with the patients, within a very few weeks it would be overcrowded. I bring this up at this time as we expected some revenue from the hospital to help out in just such matters as this but so far the returns have been very small, indeed.

The president again on February 25, 1920, raised the question of the per diem beds with Dean Lyon:

Referring again to the operation of our per diem patient plan at Elliot Memorial Hospital, may I ask you to give the matter careful consideration and make definite recommendations in regard to whether per diem patients should be admitted without physicians' certificates.

Dean Lyon appointed a committee of the Administrative Board of the Medical School to study still further the question. This committee brought in the following report, which was adopted on March 12, 1920, and transmitted to the president:

The Committee appointed by the Administrative Board to consider ways and means of filling the per diem beds in the University Hospital recommends the following:

1. That more publicity be given to the plan, preferably through the President's office. A statement outlining the plan and the mechanism whereby patients can be admitted be made through public press and that such a statement be sent also to each county or district medical society requesting the secretary that he lay the plans before the society.

2. That the plan of admitting patients only on application of physicians be followed until at least July 1st of this year in order to determine to what extent these beds will be used under existing conditions.

3. That a report covering the operation of the plan to date be submitted to the Regents, which report will include the total number of patients, the average stay, and the total income accruing from such patients to date.

4. That a statement accompany this report, outlining the difficulties existing under present conditions.

The Committee discussed the advisability of throwing the hospital open directly to patients and the installation of a mechanism whereby the financial status of individuals applying for treatment might be ascertained. The adoption of such a plan to be effective July 1st, provided satisfactory growth was not obtained under existing conditions by July the 1st, was favored by two members of the committee and opposed by two.

The question of splitting an eight-bed ward with two rooms, on four floors, and the utilization of these smaller rooms for these per diem patients was also discussed without conclusions or recommendations being reached.

Respectfully submitted,

L. G. Rowntree, Chairman.

The president referred this report to Dr. Mayo who replied on March 27, 1920:

The question turns on whether or not they intend to throw those beds open to charity patients, referred or not referred by doctors. There is no doubt but what that plan would be a success, and if properly supervised I cannot see how it would do any injustice to the medical profession. I doubt whether the present

scheme, even as modified in the report of the Committee, will be a success; it has not been.

On April 15, 1920, President Burton wrote Dean Lyon as follows:

At the meeting of the Board of Regents held yesterday, I presented the report of the Committee, appointed by the Administrative Board to consider ways and means of filling the per diem beds at the University Hospital. I also presented the letter of Dr. Mayo's dated Saturday, March 27th, a copy of which I enclose. After a consideration of the subject, the Board of Regents voted that per diem patients should be admitted to the Hospital at once without physicians' certificate.

The Administrative Board of the Medical School on May 14, 1920, adopted the following resolution:

That the Administrative Board respectfully requests the Board of Regents to reconsider its action in re the administration of per diem beds in the University Hospital and that the Dean be requested to appoint a committee to present the views of the Board.

The Board of Regents' minutes for May 24, 1920, contain the following:

A committee from the Medical School, consisting of Dean E. P. Lyon, Dr. L. B. Baldwin, Dr. A. C. Strachauer, Dr. H. E. Robertson, and Dr. S. M. White, appeared before the Board with reference to the administration of the per diem plan at the University hospital. It was made clear that the action of the Board of Regents at its meeting of April 14 gave the committee in charge of the admission of patients the power to use its discretion in admitting patients to the per diem beds without physicians' certificates.

Since the date named in above communication, i.e., May 24, 1920, per diem patients have been admitted only on applications of physicians.

At a later date the question arose whether non-residents of the state could be accepted as per diem patients. On December 11, 1923, President Coffman wrote Dean Lyon as follows:

On November 19th I received from you a letter in which you asked this question: Will you kindly inform us whether non-residents are acceptable to the University Hospital as per diem patients? This matter was considered at a meeting of the Board of Regents today.

There appears to be no reason why non-residents of the state may not be admitted to the Minnesota General Hospital as per diem patients whenever it is possible to accept them without interfering with the primary purpose of the hospital which is to provide hospital care for the legal residents of Minnesota, and this is the interpretation of the Board.

The number of per diem patients and income from this service have been as follows:

	No. of Patients	Receipts
1919-20 (Nov. 1919 to June 1920 inclusive).....	116	\$ 4,643.71
1920-21	169	8,580.42
1921-22	86	4,893.20
1922-23	387	4,553.13
1923-24	838	16,151.63
1924-25	974	22,750.43
1925-26	1,147	30,329.06
Total	3,601	\$87,257.87

About three years ago the per diem rate was raised from \$15 a week to \$3 a day, which rate is now in effect.

V. CONCERNING HOSPITALS AT OTHER STATE UNIVERSITIES

WISCONSIN

Wisconsin University has a hospital of about 300 beds. This university has recently inaugurated the third and fourth years of the medical course. The following is from a letter from Dean Bardeen:

For patients sent in by the county courts or by the state, our charge is \$4.76 per day. For "Clinic Patients" the charge at present is \$5.00 per day. For private patients the charge is \$6.00 to \$8.00 per day. Except for the private patients all extras are included. We have about 30 beds for private patients out of 300. Medical service is furnished without charge to all except private patients. The latter pay fees to the physicians in charge.

Dean Bardeen also furnished the following:

Principles Governing Hospital Charges and Professional Fees, State of Wisconsin General Hospital.

1. The sources of income to cover cost of care of patients at the Wisconsin General Hospital are as follows:

I. Public Funds.

- a. Public at order of county judge.
- b. Board of Control, at order of Board.
- c. Rehabilitation, at order of Rehabilitation Board.
- d. Infirmary Fund, at order of Chief of Student Health Service.
- e. Special grants, Medical School, at order of Dean.

II. Private Funds.

a. Clinic. Charges paid by patients or friends.
b. Private. Charges paid by patients or friends.

2. Members of the medical and surgical staffs of the hospital having to do with the admission of patients or their transfer from one service to another should be fully informed as to the classification of the patient. Those responsible for the admission of patients whose care is to be paid for from public funds should see that the proper authorization is obtained. Those responsible for the admission of patients whose hospital care is to be paid for from private funds should take reasonable steps to assure themselves that the resources of the patient are adequate and that the bills will be properly paid.

3. No fees for professional services may be charged patients classified under Ia, Ib, Ic, Id, and IIa. If a patient is transferred from one service to another, his classification is to remain unchanged unless an agreement to the contrary, approved by the superintendent of the hospital, is made at the time of transfer. No fee for professional services may be charged a patient so long as the patient is classified as a clinic patient, even if the patient requests a bill for professional services.

4. Fees for professional services for patients coming under Id, students whose hospital care is paid for from the infirmary fund, may be charged provided that bills for such services be submitted to and approved by the Chief of the Student Health Service. No bills for such services shall be rendered until thus approved.

5. Fees charged patients coming under IIb, private patients, are a matter of private arrangement between the physician admitting the patient and the patient. It is understood, however, that no fees for professional services are to be received from private patients until the latter have paid the hospital in full for hospital care. It is, of course, of the utmost importance, that private fees never be collected at the expense of the reimbursement of the hospital for cost of care.

6. The student fund is derived from a fee of \$3.50 per semester charged each student. This fund is designed primarily to pay for cost of care of students in the student infirmary and for the supplies and nursing services of the student clinic. It may be utilized to pay for cost of care in the wards of the Wisconsin General Hospital only upon proper authorization by the Chief of the Student Health Service and as a rule merely for care of acute conditions arising in residence. When students are admitted to the Wisconsin General Hospital to

receive care at the expense of the infirmary fund they may, if able to pay for professional services, be charged for such services but when such charges are made, the bills before being sent out must, as stated above, first be approved by the Chief of the Student Health Service.

Students may be admitted as private patients to the Wisconsin General Hospital and pay the usual rates for hospital care and professional services. When thus admitted the student should be made clearly to understand that his hospital bill is not to be paid for from the infirmary fund. Bills for professional services in such cases need not be submitted to the Chief of the Student Health Service for approval. The Chief of the Student Health Service should, however, be informed of the admission of such students and of their discharge. The Chief of the Student Health Service should likewise be informed of any students receiving treatment as private patients in the outpatient department of the Wisconsin General Hospital.

A copy of the laws and regulations of the Wisconsin General Hospital is on file in the president's office and may be consulted by the committee.

IOWA

A letter from Dean Dean reads as follows:

We have private cases in the University Hospital, first, because it is not fair to the citizens of the state to create here a medical and surgical unit and then limit the benefits of this unit. It is true that we will always have in the University Hospital men particularly well fitted to do certain types of work. It is only right that the Governor of the State and the wealthy citizens of Iowa should have the opportunity of securing the services of these men when, in the judgment of their family physician, it is advisable. At any rate, in our state it would not be fair to prohibit any one from receiving the advantages of the University Hospital.

Private cases in the University Hospital may receive these benefits in different ways. In pediatrics, in psychiatry, and in gynecology and obstetrics the fees from private cases are paid to the hospital and revert to the support fund of the departments. In medicine, in surgery and in head specialties the fees are paid directly to the physician or surgeon in charge. I must confess that so far as the patient is concerned he usually does not know whether the money is going to the surgeon or to the department.

So far we have allowed the head of each department to make such arrangements as he deems best. It is the desire of the head of the department of gynecology and obstetrics, of pediatrics and of psychiatry that none of the fees go to the individual.

I presume you know that we furnish all our men with offices in the University Hospital.

Copies of the Iowa laws referred to are on file in the president's office and may be consulted by the committee. The Iowa laws are better than those of Minnesota, in that monthly bills submitted by the university hospital are paid at once to the university from funds "not otherwise appropriated." The hospital charges for certified patients are paid by the state and no part is charged back against the county.

ILLINOIS

Letter from Dean Davis:

At the present time all the patients in our University Hospital are charity cases. We have no private rooms in the hospital. We have no per diem patients. All patients are admitted to the hospital through the Dispensary, or Out-patient department. Nearly all the patients come from Chicago. A few are referred from the outside, but all these enter in a regular way through the Dispensary.

The Hospital is supported by direct appropriation by the legislature to the State Department of Public Welfare. The Medical service is furnished altogether from the departments of the University.

NEBRASKA

Letter from Dean Keegan:

The University of Nebraska Hospital was established by an act of 1915 for the double purpose of providing facilities for the medical and surgical care of worthy sick poor and advancing medical education at the University of Nebraska College of Medicine. Copy of this bill is enclosed. Its control and regulation was placed entirely in the hands of the Board of Regents without specific legal enactment concerning any county or the pay of patients. The funds for maintenance of the hospital at present come from the University Budget. Formerly, special appropriations were made for maintenance and equipment.

The rules of the hospital are made by the Board of Regents on recommendation from the Dean of the College of Medicine. I am enclosing a copy of these rules which will answer several of the questions you have in mind.

I am interested in your difficulties altho we happen to be free from them in some respects. We have established the policy of rendering a bill to every patient who enters the hospital except those who are county charges in the counties from which they come. In this latter group we do not charge anything back to the county. This is purposely omitted on account of the difficulties of obtaining payment and settling disputes concerning the county's liability. We have established a plan of county quota by hospital days and population but this is not strictly followed on account of the necessity of selecting cases for educational purposes.

There is no provision for patients of private status and from what I learn of troubles at other University hospitals, I would hesitate to change this policy. The question has been raised several times by members of the staff and in some ways it seems desirable. Occasionally we admit an emergency case which is subject to private physician's fees. In such instance, private patient rates are charged by the hospital and both the patient and the attending physician are notified that the patient is subject to a physician's fee. This fee is collected by the physician as he chooses and does not go through the hospital. Likewise in cases which are found to have an insurance benefit, the insurance company is billed. This does not amount to very much during the year.

I believe the preferable arrangement for private patients in connection with a University Hospital is by means of a nearby private hospital under separate management with working affiliations with the University.

Further information concerning the University of Nebraska Hospital and a copy of the statute establishing same are on file in the president's office for the use of the committee.

INDIANA

Letter from S. E. Smith, provost of Indiana University:

Indiana University has two University hospitals, both located in Indianapolis and in proximity to its school of medicine, and while we have some difficulty in properly maintaining them, we do get along and both are functioning quite satisfactorily.

The Robert W. Long Hospital, a general hospital, was founded and built by private funds. The state provides an annual appropriation for the maintenance of it of \$50,000 and this is paid monthly. The hospital is open to indigent patients from all counties of the state upon a certificate of inability to pay signed by the township trustee. It receives, also, a limited number of full pay and part pay patients, and the income derived from this class of cases is payable directly to the hospital and is available for its maintenance. These two sources of income make it possible for this hospital to carry on fairly well. Physicians sending private patients to the Long hospital charge and collect their professional fees and the University collects the fees for room, board, and special laboratory work.

The James Whitcomb Riley Hospital for Children is new and was built largely from private donations. The State, however, appropriated for a power house and large service building for this hospital, the Long hospital and others contemplated, \$400,000.00. Private donations already expended were \$1,400,000, and later contributions of approximately \$1,500,000 have been made and will soon be available to complete it and provide a school and home for nurses. This hospital at this time has 150 beds for children under sixteen years of age, and with contemplated additional construction, this will be raised to approximately 250 beds. It is open to children from all counties of the state.

The maintenance of the Riley hospital is derived from an annual legislative appropriation of \$50,000, available monthly, and a charge of the actual cost for care and treatment against the counties committing the children to the institution. This cost to the respective counties is presented to the Auditor of State quarterly, when he issues a warrant against the Treasurer of State for the amount and the Treasurer collects it from the counties in their semi-annual settlement. The per capita cost for which counties were responsible last year was \$3.96 after the state appropriation of \$50,000 had been applied. In other words, the state last year paid \$50,000 and the counties approximately \$150,000 for the maintenance of this hospital.

This plan of collecting from the counties is much more satisfactory than one which would make it necessary for the management to collect directly from the counties, as you will appreciate. We hope in due time to obtain a larger appropriation from the state, which will divide about equally the cost to the state and counties. An appropriation of \$100,000 would effect such an adjustment and I believe will prove more satisfactory.

At the present time the Riley hospital is receiving only indigent patients who are committed by the courts, but after the completion of the nurses' home, for which \$500,000 has already been donated, the rooms now occupied in the Riley hospital by nurses will be available for the admission of private, full and part pay patients. This arrangement will provide some income, which will be applied for maintenance and will, thereby, reduce the cost correspondingly to the counties. I am enclosing a copy of the organic act of the Riley hospital, which I hope will interest you.

Within the next month we will begin the construction of a hospital for women from a private donation of \$300,000. It will be maintained by an appropriation of \$50,000 by the state and the income derived from pay patients. It will have a capacity of 100 beds and will be dependent upon the large service building and power house constructed in connection with the Riley hospital.

Notwithstanding the criticisms against so-called state medicine, it is my judgment that the University hospitals must admit both indigent and pay patients to properly maintain them. The attending physicians, usually those on the faculty of the medical school, must be allowed to collect their fees from private patients and the other charges should go to the hospital. In all fairness, a patient who is able and willing to pay should not be denied admission to the well equipped and managed hospital, and I believe any court of equity would so order if the question were presented to it.

I am pleased to submit this statement to you in the hope that our experience may be of some assistance to you in the solution of your own problem.

MICHIGAN

Letter from the assistant director of the university hospital, University of Michigan:

We have experienced objections from the state medical society toward admitting patients to the Hospital who are able to pay for professional services. Quite a number of years ago the Hospital authorities met with the committee of the medical society in order to reach some satisfactory agreement and it was at that time decided that patients who are able to pay for professional services should be admitted to the University hospital only upon signing the enclosed affidavit; unless they come under one of the other headings shown on the front of our circular, copy of which I am enclosing. We have, however, always admitted patients who come to us bringing with them the written request of their home physician asking us to take care of them. This was done in order that the

Hospital might assist the practitioner in making difficult diagnoses and to act as consultant with them.

A few years ago our Medical and Surgical Departments were placed on a full time basis, the Hospital paying these men a substantial salary in addition to what they received from the Medical School. In order to cover this additional expense to the Hospital, the Hospital admits anyone who applies for service in full time departments and in cases where patients are able to pay more than for just hospital care they are required to pay for the professional services of these men. Any earnings which these men may have for professional services rendered in the hospital or outside in consultations are turned in to the Hospital funds and the physician himself is not particularly concerned with the financial side. When this was started there was another great objection raised by the Medical society but after several years of trial we find that the percentage of private patients is so small that it is of no consequence.

Each year the Hospital makes up its budget request to the Board of Regents of the University and that request is granted with the understanding that the earnings from the Hospital service will cover the same.

The rates for hospital service are the same for everyone, even to the state. We send an itemized statement of all patients' accounts who have been committed to us by the courts and the state pays our bills. In the case of children the expense is borne by the general fund of the state while in the case of adults, the state pays us but charges the expense back to the county from which the patient came.

Our hospital now has a total capacity of 1100 beds; 723 of which are in the new building. Of these 91 are in private rooms for private patients; the others being in two, four and eighteen bed wards.

Copy of Regents Action regarding the University Hospital,
Ann Arbor, Mich.

PATIENTS ENTITLED TO ADMISSION

The Regents of the University of Michigan direct that the following classes of patients are entitled to admission to the University Hospital for examination and treatment:

1. Those whose admission is provided for by special statute, namely, children with any disease or deformity who are cared for by the State. (For information write or confer with the Superintendent.)

Also those who bring a letter from the county officials guaranteeing board and care.

2. Emergency cases.

3. All students in actual attendance at the University.

4. All persons bringing letters to the Superintendent, recommending their admission from their usual medical attendant. Private patients can be received for Surgical, Medical, and X-Ray Departments.

5. Persons not included in any of the four classes above mentioned, in accordance with the rules prescribed by the Regents may register for examination and admission by making the following affidavit:

I hereby make affidavit that _____ financially unable to pay the usual minimum fee of a profession outside of the hospital for such medical or surgical treatment as _____ may require.

Date _____ 192_____

Signed _____

P.O. Address _____

Subscribed and sworn to before me this _____ day of _____ 192_____

Notary Public for Washtenaw County, Mich.

My Commission expires _____ 192_____

Copy of parts of a circular issued by the University Hospital,
Ann Arbor, Michigan.

PATIENTS ENTITLED TO REGISTER

State Patients: Those patients committed by the Probate Courts under Public Acts 267 of 1915 or 274 of 1913.

County Patients: Those patients who are sent by the Superintendent of the Poor and whose hospital expenses are guaranteed by the county in which the patient resides.

Students in attendance at the University of Michigan or the Michigan State Normal College of Ypsilanti.

Persons bringing letters from their regular medical attendants recommending their admission.

Persons who can truthfully sign an affidavit that they are unable to pay the usual minimum fee charged by the medical profession outside the hospital.

Persons who are able to pay in addition to their hospital charges, fees for professional services, may be admitted to the services of Medicine, Surgery, or X-ray.

RATES

	Residents of State	Non- Residents
Registration fee	\$2.00	\$3.00
Subsequent visits50	.75
Ward beds New Building	3.50	4.00
Ward beds Convalescent Bldg.	3.25	4.00
Convalescent Private Rooms	4.00	4.50
Two-bed Wards	4.50	5.50
Private rooms (Isolation)	5.00	6.00
Private rooms	6.00	7.00
Private rooms with bath	10.00	11.00
Contagious Ward	3.50	4.00
Contagious Nursing	2.00	2.00

All rates include the day the patient enters and the day he is discharged. Fractional days are not considered.

Extra charge will be made for use of operating room service, delivery room service, anaesthetics, radiographs, X-ray treatments, physio-therapy, therapy treatments, special medicines, oxygen, sera, vaccines and extras not included in the regular menu diets. Whenever it is necessary to employ graduate special nurses the cost of their services is charged to the patients served.

Copies of Michigan statutes pertaining to the admission of patients to the university hospital of that state are on file in President Coffman's office.

VIRGINIA

The following information was furnished by Dr. Calkins, a graduate of our school, now professor of obstetrics and gynecology at Virginia:

They have sixty-five beds for private patients in the university hospital at Charlottesville. These are for the private patient service of the staff, all of whom are full-time men. Without this arrangement, Dr. Calkins says it would be impossible for the school to get clinical teachers. He, himself, would not have gone there on a salary basis only.

Some of the teachers collect their own fees; in other cases the fees are collected by the hospital.

The hospital serves a large area. The doctors send in their difficult cases. There is no antagonism on the part of the profession. The arrangements outlined have been in effect many years.

The University of Virginia Medical School, although located in a small place, stands very high. It could not have attained this standing, according to Dr. Calkins, except for the full-time plan and the provision of private beds for the staff.

Dr. Calkins states that the private patients of the members of the staff are not much used for undergraduate teaching, but are just as valuable as any cases for the teaching of internes and graduate students.